



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0198	Title:	Increase CHIP dental benefit
Primary Sponsor:	Jones, William J	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$100,000	\$100,000	\$100,000	\$100,000
Federal Special Revenue	\$355,997	\$352,284	\$352,284	\$352,284
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$355,997	\$352,284	\$352,284	\$352,284
Net Impact-General Fund Balance	<u>(\$100,000)</u>	<u>(\$100,000)</u>	<u>(\$100,000)</u>	<u>(\$100,000)</u>

Description of fiscal impact:

This proposal provides for expansion of the dental care benefits for the Children's Health Insurance Program (CHIP). The Department of Public Health and Human Services shall use this authority to cover significant dental needs beyond the basic plan. The expenditures under this plan may not exceed \$100,000 in state funds, plus any matched federal funds, each fiscal year.

FISCAL ANALYSIS

Assumptions:

1. This limits the state funds to \$100,000 used to cover significant dental needs beyond CHIP basic dental plan for each state fiscal year.
2. The CHIP Federal Medical Assistance Percentage is estimated at 78.07 % for FY 2008, 77.89 % for FY 2009, 77.89% for FY 2010, and 77.89 % for FY 2011.
3. The projected cost of the current CHIP program at 150% of the Federal Poverty Level (FPL) will not change.

4. The current federal CHIP grant allocation is not projected to be sufficient to sustain the program for serving children at 150 % of FPL starting in FY 2010.
5. Dental claims for clients ages birth through 18 years of age in State Fiscal Year 2006 are as follows:
 - a. CHIP dental clients age birth through 18 years of age – 8,021
 - b. CHIP paid providers \$1,706,932 in State Fiscal Year 2006.
 - c. Of the children enrolled in CHIP in FY 2006, 23 % met or exceeded the cap for dental services.
6. There are more charges submitted for CHIP Dental Services than what is currently allowed by the plan. This bill would allow those dental services to be reimbursed above the basic plan up to the amount appropriated.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Benefits	\$455,997	\$452,284	\$452,284	\$452,284
TOTAL Expenditures	<u>\$455,997</u>	<u>\$452,284</u>	<u>\$452,284</u>	<u>\$452,284</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$100,000	\$100,000	\$100,000	\$100,000
Federal Special Revenue (03)	\$355,997	\$352,284	\$352,284	\$352,284
TOTAL Funding of Exp.	<u>\$455,997</u>	<u>\$452,284</u>	<u>\$452,284</u>	<u>\$452,284</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$355,997	\$352,284	\$352,284	\$352,284
TOTAL Revenues	<u>\$355,997</u>	<u>\$352,284</u>	<u>\$352,284</u>	<u>\$352,284</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. The CHIP program is scheduled for federal re-authorization during the federal fiscal year 2007: it is not known at this time what the grant allocations will be to each state.
2. The current federal grant is not sufficient to sustain current CHIP enrollment and expenses beyond federal fiscal year 2009.
3. Maximum federal funding related to CHIP is defined by the federal grant award each year.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date